
Press Release

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SCAG, regional leaders push “hard decisions” at 4th Annual Economic Summit

Los Angeles, CA – Southern California could see economic activity return to pre-recession levels a little sooner than previously expected, but the region and state face more hard decisions en route to recovering from the worst economic downturn since the Great Depression, economists and other experts say.

Those next steps will be the subject of the Southern California Association of Governments’ 4th Annual Economic Recovery & Job Creation Summit Dec. 5, at the Omni Los Angeles Hotel. The summit is the largest of its kind this year in Greater Los Angeles, gathering regional and business leaders, economists and educators to begin developing collaborative solutions to Southern California’s short- and long-term economic challenges.

“The fact is, we can’t sit back and wait for the market to correct itself. Much of what we face is uncorrectable without the right plan and execution,” said Hasan Ikhata, Executive Director of SCAG.

Wallace Walrod, chief economic advisor to the Orange County Business Council, voiced a similar sense of urgency.

“We still have almost 800,000 people out of work in our region. We need to act now,” said Walrod, who led a SCAG-convened team of economists in analyzing Southern California’s economic health and ability to recover jobs lost during the recession. “The big picture,” Walrod said, “is that we do see a little bit of improvement regarding when the recovery will occur. Even so, the prognosis is a sobering one and requires an economic strategy that prioritizes job creation.”

In three of the six counties represented in the SCAG region, employment is now expected to reach pre-recession levels a year earlier than had been projected in a similar study from 2012. In Los Angeles and Ventura Counties, the best-case scenario now calls for pre-recession employment levels in 2017. In Imperial County, jobs should hit 2007 levels sometime between now and the end of 2014.

In the remainder of the SCAG region, the jobs forecast remains the same as it did in 2012 – with a best-case scenario of 2014 for pre-recession employment levels in Orange County, and 2016 in Riverside and San Bernardino Counties.

However, replacing the quality – and salary levels – of jobs eliminated during the recession remains a formidable challenge. “The past decade has dealt a death blow to our middle class in California, and when it comes to economic development, we’re going to need to think differently and act differently,” said Greg Pettis, President of SCAG and a Cathedral City council member. “Urgent attention needs to go to repairing and rebuilding our transportation infrastructure that supports our middle class.”

SCAG’s 2012-2035 Regional Transportation Plan/Sustainable Communities Strategy calls for \$524 billion in transportation spending during that period, generating an average of 500,000 jobs per year and a return on investment of \$2.90 for every dollar spent. Improving mobility also betters our air quality, increases worker productivity and bolsters the region’s vital goods-movement industry, which represents one-third of all jobs and economic activity in Southern California.

The ports of Long Beach and Los Angeles handle \$350 billion worth of goods each year, roughly 40 percent of the nation’s cargo shipments. In addition, Los Angeles International Airport handles \$78 billion in cargo each year, with another \$35 billion passing through our international border crossings. In all, goods movement and related industries account for 2.9 million jobs and \$249 billion in gross regional product.

The panel of economists convened by SCAG noted that even a small percentage of lost market share would cripple the regional economy. They also pointed to regulatory hurdles that have kept some inland communities from maximizing the demand for warehousing and distribution centers, delaying or costing tens of thousands of potential jobs and billions of dollars in economic activity.

“The freight transportation system has a direct and dramatic impact on our economic vitality and quality of life,” Ikhata said, noting that SCAG’s RTP/SCS called for \$60 billion in freight transportation investment over the next quarter century.

The Dec. 5 Economic Summit will feature a keynote speech by Darrell Steinberg, President pro tempore of the California State Senate. The regional economic reports will be used to begin developing a coordinated, strategic Southern California workforce and economic development plan.

For more information on the Summit, please visit www.scag.ca.gov.

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SUMMIT DETAILS:

When: December 5, 2013, 9 a.m.-2 p.m.

WHERE: Omni Los Angeles Hotel, 2521 S. Olive St., Los Angeles

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About SCAG

SCAG is the nation’s largest metropolitan planning organization, representing six counties, 191 cities and more than 18 million residents. SCAG undertakes a variety of planning and policy initiatives to plan for a livable and sustainable Southern California now and in the future. For more information about SCAG’s regional efforts, please visit www.scag.ca.gov.